

Introduced by Senator Kuehl

February 18, 2005

An act to amend Section 14132.47 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 496, as amended, Kuehl. Medi-Cal: administrative claims.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care services.

Existing law authorizes the department to contract with each participating local governmental agency or each local educational consortium to assist with the performance of administrative activities necessary for the proper and efficient administration of the Medi-Cal program.

~~This bill would make a technical, nonsubstantive change to that provision.~~

This bill would provide that local educational consortium contracts in effect as of January 1, 2006, shall not continue in effect beyond June 30, 2008. The bill would provide that at the expiration of local educational consortium contracts in effect as of January 1, 2006, the department shall enter into a new contract, not to exceed a 5-year term, with each local educational consortium through a competitive bid process. The bill would except from the competitive bid requirement local governmental agencies that contract with local educational agencies participating in the Administrative Claiming process. The bill would establish criteria for the evaluation of educational consortium contract proposals by the department.

The bill would require the department to develop templates of program materials for the Administrative Claiming process, and would provide that only program materials developed by the department shall be accepted for reimbursement of claims.

The bill would require the director, in consultation with the Department of Education, to appoint an advisory committee to advise the department on Administrative Claiming policy for local educational agencies and would establish the term and qualifications of committee members and the duties of the committee.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 14132.47 of the Welfare and~~
2 ~~Institutions Code is amended to read:~~

3 SECTION 1. Section 14132.47 of the Welfare and Institutions
4 Code is amended to read:

5 14132.47. (a) It is the intent of the Legislature to provide
6 local governmental agencies the choice of participating in either
7 or both of the Targeted Case Management (TCM) and
8 Administrative Claiming process programs at their option,
9 subject to the requirements of this section and Section 14132.44.

10 (b) The department may contract with each participating local
11 governmental agency or each local educational consortium to
12 assist with the performance of administrative activities necessary
13 for the proper and efficient administration of the Medi-Cal
14 program, pursuant to Section 1396b(a) of Title 42 of the United
15 States Code, Section 1903a of the federal Social Security Act,
16 and this activity shall be known as the Administrative Claiming
17 process.

18 (c) (1) As a condition for participation in the Administrative
19 Claiming process, each participating local governmental agency
20 or each local educational consortium shall, for the purpose of
21 claiming federal ~~medicaid~~ *Medicaid* matching funds, enter into a
22 contract with the department and shall certify to the department
23 the amount of local governmental agency or each local
24 educational consortium general funds or any other funds allowed
25 under federal law and regulation expended on the allowable
26 administrative activities.

(2) The department shall deny the claim if it determines that the certification is not adequately supported for purposes of federal financial participation.

~~(d)~~

(3) (A) *Local educational consortium contracts in effect as of January 1, 2006, shall not continue in effect beyond June 30, 2008. This subparagraph shall not apply to local governmental agency contracts.*

(B) *At the termination of any local educational consortium contracts in effect as of January 1, 2006, the department shall enter into new contracts with each local educational consortium through a competitive bid process. The department shall contract with local educational consortiums for a period of up to five years. The competitive bid process shall not apply to local governmental agencies that contract with local educational agencies participating in the Administrative Claiming process.*

(C) *In evaluating local educational consortium contract proposals, the department shall consider criteria that include, but are not limited to, all of the following:*

- (i) Demonstrated outreach to local educational agencies.*
- (ii) Fees charged by local educational consortiums.*
- (iii) Fees charged by any preferred nongovernmental entities that subcontract with local educational agencies.*
- (iv) Performance outcomes identified pursuant to paragraph (6).*

(v) Additional criteria that may be recommended by the advisory committee established pursuant to subdivision (z).

(D) *The department shall require a local educational consortia to provide an annual report, which the department shall make available to the public through its Web site. The report shall detail performance measures that include, but are not limited to, all of the following information:*

- (i) The extent of outreach to each potentially eligible local educational agency in the region.*
- (ii) The number of local educational agencies recruited to participate in the Administrative Claiming process.*
- (iii) The total and per pupil amounts of federal reimbursement dollars generated by the local educational consortium through the Administrative Claiming process.*

1 (iv) *The amount of money collected as fees from local*
2 *educational agencies.*

3 (v) *The actual costs incurred by the local educational*
4 *consortium in administering the claiming process.*

5 (d) *The department shall develop templates of program*
6 *materials for the Administrative Claiming process, including*
7 *program policy information, invoices, and a training curriculum*
8 *that all participants shall use to participate in the Administrative*
9 *Claiming process. Only program materials developed by the*
10 *department shall be accepted for reimbursement of claims.*
11 *Materials used by nongovernmental entities that subcontract with*
12 *local educational agencies or local educational consortiums*
13 *shall be consistent with materials developed by the department.*

14 (e) Each participating local governmental agency or local
15 educational consortium may subcontract with nongovernmental
16 entities to assist with the performance of administrative activities
17 necessary for the proper and efficient administration of the
18 Medi-Cal program under the conditions specified by the
19 department in regulations.

20 (e)
21 (f) Each Administrative Claiming process contract shall
22 include a requirement that each participating local governmental
23 agency or each local educational consortium submit a claiming
24 plan in a manner that shall be prescribed by the department in
25 regulations, developed in consultation with ~~local governmental~~
26 ~~agencies~~ *the advisory committee established pursuant to*
27 *subdivision (z).*

28 (f)
29 (g) The department shall require that each participating local
30 governmental agency or each local educational consortium
31 certify to the department both of the following:

32 (1) The availability and expenditure of 100 percent of the
33 nonfederal share of the cost of performing Administrative
34 Claiming process activities. The funds expended for this purpose
35 shall be from the local governmental agency's general fund or
36 the general funds of local educational agencies or from any other
37 funds allowed under federal law and regulation.

38 (2) In each fiscal year that its expenditures represent costs that
39 are eligible for federal financial participation for that fiscal year.
40 The department shall deny the claim if it determines that the

1 certification is not adequately supported for purposes of federal
2 financial participation.

3 ~~(g)~~

4 ~~(h)~~ (1) Notwithstanding any other provision of this section,
5 the state shall be held harmless, in accordance with paragraphs
6 (2) and (3), from any federal audit disallowance and interest
7 resulting from payments made to a participating local
8 governmental agency or local educational consortium pursuant to
9 this section, less the amounts already remitted to the state
10 pursuant to subdivision~~(m)~~ (n) for the disallowed claim.

11 (2) To the extent that a federal audit disallowance and interest
12 results from a claim or claims for which any participating local
13 governmental agency or local educational consortium has
14 received reimbursement for Administrative Claiming process
15 activities, the department shall recoup from the local
16 governmental agency or local educational consortium that
17 submitted the disallowed claim, through offsets or by a direct
18 billing, amounts equal to the amount of the disallowance and
19 interest, in that fiscal year, less the amounts already remitted to
20 the state pursuant to subdivision (m) for the disallowed claim. All
21 subsequent claims submitted to the department applicable to any
22 previously disallowed administrative activity or claim, may be
23 held in abeyance, with no payment made, until the federal
24 disallowance issue is resolved.

25 (3) Notwithstanding paragraph (2), to the extent that a federal
26 audit disallowance and interest results from a claim or claims for
27 which the participating local governmental agency or local
28 educational consortium has received reimbursement for
29 Administrative Claiming process activities performed by a
30 nongovernmental entity under contract with, and on behalf of, the
31 participating local governmental agency or local educational
32 consortium, the department shall be held harmless by that
33 particular participating local governmental agency or local
34 educational consortium for 100 percent of the amount of the
35 federal audit disallowance and interest, less the amounts already
36 remitted to the state pursuant to subdivision~~(m)~~ (n) for the
37 disallowed claim.

38 ~~(h)~~

39 (i) The use of local matching funds required by this section
40 shall not create, lead to, or expand the health care funding

1 obligations or service obligations for current or future years for
2 any participating local governmental agency or local educational
3 consortium, except as required by this section or as may be
4 required by federal law.

5 ~~(i)~~

6 (j) The department shall deny any claim from a participating
7 local governmental agency or local educational consortium if the
8 department determines that the claim is not adequately supported
9 in accordance with criteria established pursuant to this
10 subdivision and implementing regulations before it forwards the
11 claim for reimbursement to the federal ~~Medicaid~~ *Medicaid*
12 program. In consultation with local government agencies and
13 local educational consortia, the department shall adopt
14 regulations that prescribe the requirements for the submission
15 and payment of claims for administrative activities performed by
16 each participating local governmental agency and local
17 educational consortium.

18 ~~(j)~~

19 (k) Administrative activities shall be those determined by the
20 department to be necessary for the proper and efficient
21 administration of the state's ~~Medicaid~~ *Medicaid* plan and shall be
22 defined in regulation.

23 ~~(k)~~

24 (l) If the department denies any claim submitted under this
25 section, the affected participating local governmental agency or
26 local educational consortium may, within 30 days after receipt of
27 written notice of the denial, request that the department
28 reconsider its action. The participating local governmental
29 agency or local educational consortium may request a meeting
30 with the director or his or her designee within 30 days to present
31 its concerns to the department after the request is filed. If the
32 director or his or her designee cannot meet, the department shall
33 respond in writing indicating the specific reasons for which the
34 claim is out of compliance to the participating local
35 governmental agency or local educational consortium in response
36 to its appeal. Thereafter, the decision of the director shall be
37 final.

38 ~~(l)~~

39 (m) Participating local governmental agencies or local
40 educational consortium may claim the actual costs of

1 nonemergency, nonmedical transportation of Medi-Cal eligibles
2 to Medi-Cal covered services, under guidelines established by the
3 department, to the extent that these costs are actually borne by
4 the participating local governmental agency or local educational
5 consortium. A local educational consortium may only claim for
6 nonemergency, nonmedical transportation of Medi-Cal eligibles
7 for Medi-Cal covered services, through the Medi-Cal
8 administrative activities program. Medi-Cal medical
9 transportation services shall be claimed under the local
10 educational agency Medi-Cal billing option, pursuant to Section
11 14132.06.

12 ~~(m)~~

13 (n) (1) Each participating local governmental agency shall
14 contribute to the department a portion of the agency's general
15 fund that has been made available due to the coverage of
16 administrative activities described in this section under the
17 Medi-Cal program. The contributed funds shall be reinvested in
18 health services through the Medi-Cal program. The total
19 contribution amount shall be equal to $33\frac{1}{3}$ percent of amounts
20 made available under this section, but in no case shall the
21 contribution exceed twenty million dollars (\$20,000,000) a fiscal
22 year less the amount contributed pursuant to subdivision (m) of
23 Section 14132.44. Beginning with the 1994–95 fiscal year, each
24 local governmental agency's share of the total contribution shall
25 be determined by claims submitted and approved for payment
26 through January 1 of the following calendar year. Claims
27 received and approved for payment after January 1 for dates of
28 service in the previous fiscal year shall be included in the
29 following year's calculation. Each local governmental agency's
30 share of the contribution for the previous fiscal year shall be
31 determined no later than February 15 and shall be remitted to the
32 state no later than April 1 of each year. The contribution amount
33 shall be paid from nonfederal, general fund revenues and shall be
34 deposited in the Administrative Claiming Fund for transfer to the
35 Health Care Deposit Fund.

36 (2) Moneys received by the department pursuant to this
37 subdivision are hereby continuously appropriated to the
38 department for support of the Medi-Cal program, and the funds
39 shall be administered in accordance with procedures prescribed
40 by the Department of Finance. If not paid as provided in this

1 section, the department may offset payments due to each
2 participating local governmental agency from the state, not
3 related to payments required to be made pursuant to this section
4 in order to recoup these funds for the Administrative Claiming
5 Fund.

6 (3) This subdivision shall only apply to claims approved for
7 the 1994–95 to 1997–98 fiscal years, inclusive.

8 ~~(n)~~

9 (o) As a condition of participation in the Administrative
10 Claiming process and in recognition of revenue generated to each
11 participating local governmental agency and each local
12 educational consortium in the Administrative Claiming process,
13 each participating local governmental agency and each local
14 educational consortium shall pay an annual participation fee
15 through a mechanism agreed to by the state and local
16 governmental agencies and local educational consortia, or, if no
17 agreement is reached by August 1 of each year, directly to the
18 state. The participation fee shall be used to cover the cost of
19 administering the Administrative Claiming process, including,
20 but not limited to, claims processing, technical assistance, and
21 monitoring. The department shall determine and report staffing
22 requirements upon which projected costs will be based. The
23 amount of the participation fee shall be based upon the
24 anticipated salaries, benefits, and operating expenses, to
25 administer the Administrative Claiming process and other costs
26 related to that process.

27 ~~(o)~~

28 (p) For the purposes of this section “participating local
29 governmental agency” means a county, chartered city, Native
30 American Indian tribe, tribal organization, or subgroup of a
31 Native American Indian tribe or tribal organization, under
32 contract with the department pursuant to subdivision (b).

33 ~~(p)~~

34 (q) For purposes of this section, “local educational agency”
35 means a local educational agency, as defined in subdivision (h)
36 of Section 14132.06, that participates under the Administrative
37 Claiming process as a subcontractor to the local educational
38 consortium in its service region.

39 ~~(q)~~

1 (r) (1) For purposes of this section, “local educational
2 consortium” means a local agency that is one of the service
3 regions of the California County Superintendent Educational
4 Services Association.

5 (2) Each local educational consortium shall contract with the
6 department pursuant to paragraph (1) of subdivision (c).

7 ~~(t)~~

8 (s) (1) Each participating local educational consortium shall
9 be responsible for the local educational agencies in its service
10 region that participate in the Administrative Claiming process.
11 This responsibility includes, but is not limited to, the preparation
12 and submission of all administrative claiming plans, training of
13 local educational agency staff, overseeing the local educational
14 agency time survey process, and the submission of detailed
15 quarterly invoices on behalf of any participating local
16 educational agency. *In addition, each local educational*
17 *consortium shall inform all local educational agencies in its*
18 *respective service region about the Administrative Claiming*
19 *process and encourage local educational agencies to participate.*

20 (2) Each participating local educational consortium shall
21 ensure local educational agency compliance with all
22 requirements of the Administrative Claiming process established
23 for local governmental agencies.

24 (3) Ninety days prior to the initial participation in the
25 Administrative Claiming process, each local educational
26 consortium shall notify the department of its intent to participate
27 in the process, and shall identify each local educational agency
28 that will be participating as its subcontractor.

29 ~~(s)~~

30 (t) (1) Each local educational agency that elects to participate
31 in the Administrative Claiming process shall submit claims
32 through its local educational consortium or through the local
33 governmental agency, but not both.

34 (2) Each local educational agency participating as a
35 subcontractor to a local educational consortium shall comply
36 with all requirements of the Administrative Claiming process
37 established for local governmental agencies.

38 ~~(t)~~

39 (u) For the purposes of this section, a “nongovernmental
40 entity” does not include an entity or person administered by,

1 affiliated with, or employed by a participating local
2 governmental agency or a local educational consortium.

3 ~~(u)~~

4 (v) The requirements of subdivision ~~(m)~~ (n) shall not apply to
5 claims for administrative activities, pursuant to the
6 Administrative Claiming process, performed by public health
7 programs administered by the state.

8 ~~(v)~~

9 (w) A participating local governmental agency or a local
10 educational consortium may charge an administrative fee to any
11 entity claiming Administrative Claiming through that agency.

12 ~~(w)~~

13 (x) The department shall continue to administer the
14 Administrative Claiming process in conformity with federal
15 requirements.

16 ~~(x)~~

17 (y) The department shall provide technical assistance to all
18 participating local governmental agencies and local educational
19 consortia in order to maximize federal financial participation in
20 the Administrative Claiming process.

21 ~~(y)~~

22 (z) (1) *The director, in consultation with the Department of*
23 *Education, shall appoint an advisory committee to advise the*
24 *department on Administrative Claiming policy for local*
25 *educational agencies. The duties of the advisory committee shall*
26 *include, but not be limited to, all of the following:*

27 (A) *Receiving and considering information, comments, and*
28 *complaints from school districts regarding the Administrative*
29 *Claiming process.*

30 (B) *Considering suggestions for streamlining and improving*
31 *the Administrative Claiming process.*

32 (C) *Exploring the potential for automation to increase the*
33 *efficiency of the Administrative Claiming process.*

34 (2) *The advisory committee shall consist of 15 members as*
35 *follows:*

36 (A) *Six representatives from school districts that are local*
37 *educational agencies, including two representatives from each*
38 *small, medium, and large school district.*

39 (B) *Two representatives from county offices of education that*
40 *are not local educational consortiums.*

1 (C) One representative from the Los Angeles Unified School
2 District.

3 (D) Two representatives from local governmental agencies
4 that contract with local educational agencies for administrative
5 claiming.

6 (E) Four representatives from local educational consortiums.

7 (3) The advisory committee shall be representative of urban,
8 rural, and suburban areas. All members of the committee shall
9 have significant background in administrative claiming and the
10 Medi-Cal program. All appointments to the advisory committee
11 shall be for three years. The initial appointments shall commence
12 on July 1, 2006.

13 (4) The advisory committee shall meet at least once per
14 quarter each year and at the request of the department or the
15 chair of the committee. The committee may establish its rules and
16 procedures, but shall adhere to open meeting laws. All members
17 shall serve without compensation.

18 (5) At the request of the advisory committee, the department
19 shall consult with staff from Region IX of the federal Centers for
20 Medicare and Medicaid Services with respect to matters relating
21 to the Administrative Claiming process.

22 (aa) This section shall be applicable to Administrative
23 Claiming process activities performed, and to moneys paid to
24 participating local governmental agencies for those activities in
25 the 1994–95 fiscal year and thereafter, and to local educational
26 consortia in the 1998–99 fiscal year and thereafter.

27 ~~14132.47. (a) It is the intent of the Legislature to provide~~
28 ~~local governmental agencies the choice of participating in either~~
29 ~~or both of the Targeted Case Management (TCM) and~~
30 ~~Administrative Claiming process programs at their option,~~
31 ~~subject to the requirements of this section and Section 14132.44.~~

32 ~~(b) The department may contract with each participating local~~
33 ~~governmental agency or each local educational consortium to~~
34 ~~assist with the performance of administrative activities necessary~~
35 ~~for the proper and efficient administration of the Medi-Cal~~
36 ~~program, pursuant to Section 1903a of the federal Social Security~~
37 ~~Act (42 U.S.C. Sec. 1396b(a)). This activity shall be known as~~
38 ~~the Administrative Claiming process.~~

39 ~~(c) (1) As a condition for participation in the Administrative~~
40 ~~Claiming process, each participating local governmental agency~~

~~1 or each local educational consortium shall, for the purpose of
2 claiming federal Medicaid matching funds, enter into a contract
3 with the department and shall certify to the department the
4 amount of local governmental agency or each local educational
5 consortium general funds or any other funds allowed under
6 federal law and regulation expended on the allowable
7 administrative activities.~~

~~8 (2) The department shall deny the claim if it determines that
9 the certification is not adequately supported for purposes of
10 federal financial participation.~~

~~11 (d) Each participating local governmental agency or local
12 educational consortium may subcontract with nongovernmental
13 entities to assist with the performance of administrative activities
14 necessary for the proper and efficient administration of the
15 Medi-Cal program under the conditions specified by the
16 department in regulations.~~

~~17 (e) Each Administrative Claiming process contract shall
18 include a requirement that each participating local governmental
19 agency or each local educational consortium submit a claiming
20 plan in a manner that shall be prescribed by the department in
21 regulations, developed in consultation with local governmental
22 agencies.~~

~~23 (f) The department shall require that each participating local
24 governmental agency or each local educational consortium
25 certify to the department both of the following:~~

~~26 (1) The availability and expenditure of 100 percent of the
27 nonfederal share of the cost of performing Administrative
28 Claiming process activities. The funds expended for this purpose
29 shall be from the local governmental agency's general fund or
30 the general funds of local educational agencies or from any other
31 funds allowed under federal law and regulation.~~

~~32 (2) In each fiscal year that its expenditures represent costs that
33 are eligible for federal financial participation for that fiscal year.
34 The department shall deny the claim if it determines that the
35 certification is not adequately supported for purposes of federal
36 financial participation.~~

~~37 (g) (1) Notwithstanding any other provision of this section,
38 the state shall be held harmless, in accordance with paragraphs
39 (2) and (3), from any federal audit disallowance and interest
40 resulting from payments made to a participating local~~

1 governmental agency or local educational consortium pursuant to
2 this section, less the amounts already remitted to the state
3 pursuant to subdivision (m) for the disallowed claim.

4 (2) To the extent that a federal audit disallowance and interest
5 results from a claim or claims for which any participating local
6 governmental agency or local educational consortium has
7 received reimbursement for Administrative Claiming process
8 activities, the department shall recoup from the local
9 governmental agency or local educational consortium that
10 submitted the disallowed claim, through offsets or by a direct
11 billing, amounts equal to the amount of the disallowance and
12 interest, in that fiscal year, less the amounts already remitted to
13 the state pursuant to subdivision (m) for the disallowed claim. All
14 subsequent claims submitted to the department applicable to any
15 previously disallowed administrative activity or claim, may be
16 held in abeyance, with no payment made, until the federal
17 disallowance issue is resolved.

18 (3) Notwithstanding paragraph (2), to the extent that a federal
19 audit disallowance and interest results from a claim or claims for
20 which the participating local governmental agency or local
21 educational consortium has received reimbursement for
22 Administrative Claiming process activities performed by a
23 nongovernmental entity under contract with, and on behalf of, the
24 participating local governmental agency or local educational
25 consortium, the department shall be held harmless by that
26 particular participating local governmental agency or local
27 educational consortium for 100 percent of the amount of the
28 federal audit disallowance and interest, less the amounts already
29 remitted to the state pursuant to subdivision (m) for the
30 disallowed claim.

31 (h) The use of local matching funds required by this section
32 shall not create, lead to, or expand the health care funding
33 obligations or service obligations for current or future years for
34 any participating local governmental agency or local educational
35 consortium, except as required by this section or as may be
36 required by federal law.

37 (i) The department shall deny any claim from a participating
38 local governmental agency or local educational consortium if the
39 department determines that the claim is not adequately supported
40 in accordance with criteria established pursuant to this

1 ~~subdivision and implementing regulations before it forwards the~~
2 ~~claim for reimbursement to the federal Medicaid program. In~~
3 ~~consultation with local government agencies and local~~
4 ~~educational consortia, the department shall adopt regulations that~~
5 ~~prescribe the requirements for the submission and payment of~~
6 ~~claims for administrative activities performed by each~~
7 ~~participating local governmental agency and local educational~~
8 ~~consortium.~~

9 ~~(j) Administrative activities shall be those determined by the~~
10 ~~department to be necessary for the proper and efficient~~
11 ~~administration of the state's Medicaid plan and shall be defined~~
12 ~~in regulation.~~

13 ~~(k) If the department denies any claim submitted under this~~
14 ~~section, the affected participating local governmental agency or~~
15 ~~local educational consortium may, within 30 days after receipt of~~
16 ~~written notice of the denial, request that the department~~
17 ~~reconsider its action. The participating local governmental~~
18 ~~agency or local educational consortium may request a meeting~~
19 ~~with the director or his or her designee within 30 days to present~~
20 ~~its concerns to the department after the request is filed. If the~~
21 ~~director or his or her designee cannot meet, the department shall~~
22 ~~respond in writing indicating the specific reasons for which the~~
23 ~~claim is out of compliance to the participating local~~
24 ~~governmental agency or local educational consortium in response~~
25 ~~to its appeal. Thereafter, the decision of the director shall be~~
26 ~~final.~~

27 ~~(l) Participating local governmental agencies or local~~
28 ~~educational consortium may claim the actual costs of~~
29 ~~nonemergency, nonmedical transportation of Medi-Cal eligibles~~
30 ~~to Medi-Cal covered services, under guidelines established by the~~
31 ~~department, to the extent that these costs are actually borne by~~
32 ~~the participating local governmental agency or local educational~~
33 ~~consortium. A local educational consortium may only claim for~~
34 ~~nonemergency, nonmedical transportation of Medi-Cal eligibles~~
35 ~~for Medi-Cal covered services, through the Medi-Cal~~
36 ~~administrative activities program. Medi-Cal medical~~
37 ~~transportation services shall be claimed under the local~~
38 ~~educational agency Medi-Cal billing option, pursuant to Section~~
39 ~~14132.06.~~

~~(m) (1) Each participating local governmental agency shall contribute to the department a portion of the agency's general fund that has been made available due to the coverage of administrative activities described in this section under the Medi-Cal program. The contributed funds shall be reinvested in health services through the Medi-Cal program. The total contribution amount shall be equal to 33 1/3 percent of amounts made available under this section, but in no case shall the contribution exceed twenty million dollars (\$20,000,000) a fiscal year less the amount contributed pursuant to subdivision (m) of Section 14132.44. Beginning with the 1994-95 fiscal year, each local governmental agency's share of the total contribution shall be determined by claims submitted and approved for payment through January 1 of the following calendar year. Claims received and approved for payment after January 1 for dates of service in the previous fiscal year shall be included in the following year's calculation. Each local governmental agency's share of the contribution for the previous fiscal year shall be determined no later than February 15 and shall be remitted to the state no later than April 1 of each year. The contribution amount shall be paid from nonfederal, general fund revenues and shall be deposited in the Administrative Claiming Fund for transfer to the Health Care Deposit Fund.~~

~~(2) Moneys received by the department pursuant to this subdivision are hereby continuously appropriated to the department for support of the Medi-Cal program, and the funds shall be administered in accordance with procedures prescribed by the Department of Finance. If not paid as provided in this section, the department may offset payments due to each participating local governmental agency from the state, not related to payments required to be made pursuant to this section in order to recoup these funds for the Administrative Claiming Fund.~~

~~(3) This subdivision shall only apply to claims approved for the 1994-95 to 1997-98 fiscal years, inclusive.~~

~~(n) As a condition of participation in the Administrative Claiming process and in recognition of revenue generated to each participating local governmental agency and each local educational consortium in the Administrative Claiming process, each participating local governmental agency and each local~~

~~educational consortium shall pay an annual participation fee through a mechanism agreed to by the state and local governmental agencies and local educational consortia, or, if no agreement is reached by August 1 of each year, directly to the state. The participation fee shall be used to cover the cost of administering the Administrative Claiming process, including, but not limited to, claims processing, technical assistance, and monitoring. The department shall determine and report staffing requirements upon which projected costs will be based. The amount of the participation fee shall be based upon the anticipated salaries, benefits, and operating expenses, to administer the Administrative Claiming process and other costs related to that process.~~

~~(o) For the purposes of this section “participating local governmental agency” means a county, chartered city, Native American Indian tribe, tribal organization, or subgroup of a Native American Indian tribe or tribal organization, under contract with the department pursuant to subdivision (b).~~

~~(p) For purposes of this section, “local educational agency” means a local educational agency, as defined in subdivision (h) of Section 14132.06, that participates under the Administrative Claiming process as a subcontractor to the local educational consortium in its service region.~~

~~(q) (1) For purposes of this section, “local educational consortium” means a local agency that is one of the service regions of the California County Superintendent Educational Services Association.~~

~~(2) Each local educational consortium shall contract with the department pursuant to paragraph (1) of subdivision (e).~~

~~(r) (1) Each participating local educational consortium shall be responsible for the local educational agencies in its service region that participate in the Administrative Claiming process. This responsibility includes, but is not limited to, the preparation and submission of all administrative claiming plans, training of local educational agency staff, overseeing the local educational agency time survey process, and the submission of detailed quarterly invoices on behalf of any participating local educational agency.~~

~~(2) Each participating local educational consortium shall ensure local educational agency compliance with all~~

1 requirements of the Administrative Claiming process established
2 for local governmental agencies.

3 ~~(3) Ninety days prior to the initial participation in the~~
4 ~~Administrative Claiming process, each local educational~~
5 ~~consortium shall notify the department of its intent to participate~~
6 ~~in the process, and shall identify each local educational agency~~
7 ~~that will be participating as its subcontractor.~~

8 ~~(s) (1) Each local educational agency that elects to participate~~
9 ~~in the Administrative Claiming process shall submit claims~~
10 ~~through its local educational consortium or through the local~~
11 ~~governmental agency, but not both.~~

12 ~~(2) Each local educational agency participating as a~~
13 ~~subcontractor to a local educational consortium shall comply~~
14 ~~with all requirements of the Administrative Claiming process~~
15 ~~established for local governmental agencies.~~

16 ~~(t) For the purposes of this section, a “nongovernmental~~
17 ~~entity” does not include an entity or person administered by,~~
18 ~~affiliated with, or employed by a participating local~~
19 ~~governmental agency or a local educational consortium.~~

20 ~~(u) The requirements of subdivision (m) shall not apply to~~
21 ~~claims for administrative activities, pursuant to the~~
22 ~~Administrative Claiming process, performed by public health~~
23 ~~programs administered by the state.~~

24 ~~(v) A participating local governmental agency or a local~~
25 ~~educational consortium may charge an administrative fee to any~~
26 ~~entity claiming Administrative Claiming through that agency.~~

27 ~~(w) The department shall continue to administer the~~
28 ~~Administrative Claiming process in conformity with federal~~
29 ~~requirements.~~

30 ~~(x) The department shall provide technical assistance to all~~
31 ~~participating local governmental agencies and local educational~~
32 ~~consortia in order to maximize federal financial participation in~~
33 ~~the Administrative Claiming process.~~

34 ~~(y) This section shall be applicable to Administrative Claiming~~
35 ~~process activities performed, and to moneys paid to participating~~
36 ~~local governmental agencies for those activities in the 1994-95~~
37 ~~fiscal year and thereafter, and to local educational consortia in~~
38 ~~the 1998-99 fiscal year and thereafter.~~

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